

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE 08/29/2007	4. REQUISITION/PURCHASE REQ. NO. R1 CB2007-0156
5. PROJECT NO. (If applicable)			
6. ISSUED BY Procurement Services Congressional Budget Office 2nd and D Streets, SW FHOB Room 406 Washington, DC 20515-0001		7. ADMINISTERED BY (If other than Item 6)	
CODE		PSCBO	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, country, state and ZIP Code)		(X)	9A. AMENDMENT OF SOLICITATION NO. CB07-RFP0003
		X	9B. DATED (SEE ITEM 11) 08/10/2007
			10A. MODIFICATION OF CONTRACT/ORDER NO.
			10B. DATED (SEE ITEM 11)
CODE		FACILITY CODE	

## 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers ☒ is extended, ☐ is not extended,

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning \_\_\_1\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

## 12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.  
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

## 14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this amendment is to respond to vendor questions and to extend the due date/time for receipt of proposals to September 7, 2007 at 5:00 p.m. EDT.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Stacy F. Newman (202/226-9850) Manager, Procurement Services	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA By _____ (Signature of Contracting Officer)	16C. DATE SIGNED

## QUESTIONS & ANSWERS

**Q1: What were the fiscal year (FY) 2006 and 2005 fees and the level of effort by labor category for performing the services detailed in the Statement of Work? If not available, what were the budgeted amount of fees and hours by labor category?**

**A:** The total contract cost for the FY2005 audit was \$39,784, and \$40,978 for the FY2006 audit. The aggregate level of effort for the FY06 audit was approximately 1200 hours. We consider the level of effort by labor category to be proprietary information. Offerors are reminded that there may not be a direct correlation between the total contract cost and the number of hours expended, because the contract was firm fixed-price.

**Q2: What is the anticipated or budgeted level of effort required for this contact? Is the level of effort significantly different than what was incurred during the FY 2006 audit? If yes, why?**

**A:** The anticipated level of effort (in terms of tasks and hours) required for this contact is expected to be similar to that required for the FY2006 audit. We consider the budgeted level of effort to be proprietary information.

**Q3: Are there any organizational changes to management or accounting operations anticipated in FY 2007? If yes, please describe.**

**A:** No.

**Q4: Can you please provide copies of the following for the FY 2005 and 2006 audits:**

- **Copies of the audited financial statements including all statements, notes, schedules, MD&A, etc.**
- **Copies of all reports issued by the IPA Kearney & Company**
- **Copies of management letters**

**A:** The CBO management comment letters will be provided to the successful contractor after award. We will provide the remaining documents listed above electronically after receiving a completed Confidentiality and Nondisclosure Agreement (see copy provided with this amendment). The completed Agreement can be e-mailed to [ProcurementServices@cbo.gov](mailto:ProcurementServices@cbo.gov) or faxed to (888) 734-1760.

**Q5: Regarding the use of the Library of Congress (LOC) financial management system, we understand that a SAS 70 is not performed over the operations of this system. Since a SAS 70 is not performed, please provide copies of any weaknesses CBO management have noted per review of other information provided to them from LOC such as independent auditor reports and management letters, etc. and how CBO management overcame such weaknesses.**

**A:** No material weaknesses in internal control were found in the FY2006 LOC audit. Copies of the LOC's financial statements are available from their web site at: <http://www.loc.gov/staff/fsd/rwfsd7.htm>

**Q6: Page 33 L.1. (c) (2) (v) – Please explain what constitutes “evidence of that agent’s authority.” Is it acceptable to have the person in question’s signature act as a testament to this affect?**

**A:** Evidence of an agent’s authority may consist of an incumbency certificate, a power of attorney, corporate articles of incorporation, bylaws, resolutions, etc. The agent’s authorization to bind the principal must be established by evidence satisfactory to the contracting officer.

- Q7: Please clarify the statement made in section C.3 c. on page 5 – “Your opinion containing positive assurance that all financial management systems comply with FISCAM.” The FISCAM is an audit manual.**
- A:** The FISCAM provides guidance in evaluating internal controls over the integrity, confidentiality, and availability of data maintained in information systems. It is used to determine whether the agency’s financial management systems comply with the areas evaluated per FISCAM. See also the response to Q9.
- Q8: Will the Government provide a copy of the prior year audited financial statements, management letter, and any other auditor deliverables?**
- A:** See the response to Q4.
- Q9: Item 1 b. on page 5 indicates that one of the deliverables is "Your Opinion on the internal control over financial reporting." Did the Government intend this to read: "Your report on the internal control..."? (An "opinion" on internal controls implies a "Sarbanes-Oxley" type opinion on Internal Controls, whereas a "Report" implies a Report on Internal Controls in accordance with *Government Auditing Standards*.)**
- A:** Page 5 of the RFP has been revised to reflect the change from “opinion” to report for both internal controls and Financial Management Systems (items 1. b and c of paragraph C.3).
- Q10: Does the Government anticipate any changes in the Delivery Schedule over the base period and 4 option periods?**
- A:** We do not anticipate any significant changes in the Delivery Schedule. As stated in the RFP at paragraph C.4, “CBO may modify the schedule in the option periods to adjust some of the dates, but the amount of time allowed for each phase is not anticipated to change.”
- Q11: Section C.6 indicates that CBO is serviced by the Library of Congress (LOC). Does the LOC get a SAS 70 review report of its internal controls? If so, will the Government provide a copy of the latest report?**
- A:** A SAS 70 review is not performed on the LOC systems. See the response to Q5.
- Q12: What were the prior auditors’ hours and fees?**
- A:** See the response to Q1.
- Q13: Will the prior auditors be allowed to submit a bid in response to this solicitation?**
- A:** Yes.
- Q14: Did the prior auditors travel to locations other than Washington DC to perform any portion of the audit? (For instance, Payroll is processed in New Orleans.)**
- A:** No. All work was performed on-site in Washington DC and at the auditor’s business location. No travel outside the area was required.
- Q15: Section CBO 25 (b) on page 12 states that the "Contractor shall comply with all CBO security requirements and protocols and agrees not to disclose..." What are the CBO security requirements? Is a security clearance needed to work on the audit?**
- A:** The security requirements are summarized in the Non-Disclosure Agreement at Attachment 2 of Section J of the solicitation. CBO’s security requirements and protocols

are based on standard business practices. A security clearance is not required to perform the audit.

**Q16: Will the Government extend the due date for the proposal by two weeks so that vendors can have time to receive and review answers to questions?**

**A:** The due date will be extended by one week to 5:00 p.m. EDT, September 7, 2007.

**Q17: Can the government clarify the proposal due date? Standard Form 33 indicates a due date of 8/31/2007 (section 9), however FedBizOps indicates a due date of 8/29/07?**

**A:** The SF-33 has been revised to reflect the extended due date of September 7, 2007 (see the response to Q16).

**Q18: Will the government consider revising the payment schedule described in section B.3 *Payment Schedule* to lessen the financial burden placed upon the contractor? For example, could 25% of the contract award be paid upon successful completion of each deliverable detailed in Attachment 1 - *Timeline for Audit Phases and Deliverables*?**

**A:** Firms may propose an alternate payment schedule that will be subject to negotiation.

**Q19: Can the government provide an electronic copy of the FY 2006 CBO financial statements, footnotes and related audit reports?**

**A:** See the response to Q4.

**Q20: What framework (e.g. COSO, GAO's Standards for Internal Control) does CBO use to prepare its annual statement of assurance related to internal control over financial reporting?**

**A:** CBO is now requesting a report rather than an opinion on Internal Control (see the response to Q9).

**Q21: In section C.2 *Objectives and Scope* CBO states that it "elected to follow the spirit" of OMB Circular A-123. Does this indicate that CBO has fully implemented the requirements of OMB Circular A-123, Appendix A? If so, is it anticipated that the contractor will evaluate the results of Appendix A testing and rely on the results of control testing to extent possible under auditing standards?**

**A:** CBO is not requesting an opinion on Internal Control based on OMB Circular A-123, Appendix A at this time but may request it in the option periods, subject to negotiation. CBO would like a report on the Internal Control based on OMB Bulletin No. 06-03. (See also the response to Q9.)

**Q22: Can the government provide the estimated level of effort anticipated to complete the work described in the RFP? What was the cost of the FY 2006 audit of the financial statements?**

**A:** See the responses to Q1 and Q2.

**Q23: Will a SAS 70 Type II audit report be available to cover accounting functions performed by the Library of Congress on the CBO's behalf?**

**A:** A SAS 70 audit is not performed on the LOC. Instead, the independent auditors' report is used to list any weaknesses. See the response to Q5.

**Q24:** After reviewing the prior year audit, we have the following question regarding the audit scope: The FY 2006 audit of CBO was performed in accordance with OMB 06-03 guidance and did not include an opinion on internal control over financial reporting or an opinion regarding compliance with FISCAM for IT systems. Is it CBO's intent to increase the scope of the FY 07 financial statement and obtain audit opinions regarding: (1) internal control over financial reporting and (2) compliance with FISCAM? Or is it anticipated that the audit scope will be the same as FY 06?

**A:** See the response to Q9. CBO'S audit scope for the RFP is the same as FY06 (but see also the response to Q21).

**Q25:** In reviewing the RFP, we noted that the Library of Congress (LOC) is assisting CBO in the preparation of their financial statements. Is the LOC only assisting with statement preparation, or are they serving as more of a "financial services/accounting" provider? Is the LOC team posting the CBO's accounting transaction into Momentum, or does CBO do that? If the LOC is doing it, are they also entering budgetary transactions, including the recording of obligations?

**A:** The LOC provides assistance with preparing CBO's financial statements. CBO performs all budgetary and procurement transactions. LOC does assist in posting some accounting transactions, which are approved by CBO.

**Q26:** Does the CBO get a SAS 70 report for the services provided by the LOC?

**A:** See the responses to Q5 and Q23.

**Q27:** On page 4 of the RFP, there is discussion on management's assertion over the effectiveness of internal controls over financial reporting. It was not clear to us whether CBO wanted some level of assurance/procedures to be performed by the Independent Public Accountant (IPA) over this assertion. Does the CBO desire to have the IPA test this assertion?

**A:** See the response to Q9.

**Q28:** Other than the LOC and the National Finance Center (NFC), does the CBO have any other external service organizations performing services for them? Does the CBO perform its own information technology (IT) management, or are these services out-sourced to an external provider/trading partner?

**A:** There are no other external service providers. CBO has an IT staff that performs all day-to-day management of the agency's technology needs.

**Q29:** We reviewed the CBO's website and attempted to obtain copies of the CBO's Performance and Accountability Report (PAR)/financial statements from prior years, but we were not able to find them. In reviewing the RFP, we noted that CBO has \$6.64M in assets. Other than Fund Balance with Treasury (FBWT), what are the other material asset classifications on the CBO's Balance Sheet?

**A:** See the response to Q4.

**Q30:** Other than Accounts Payable, Accrued Payroll, Accrued Leave and/or FECA, what are the other material liability classifications on the CBO's Balance Sheet?

**A:** See the response to Q4.

**Q31: Do you know how many audit hours the incumbent IPA incurred in the performance of your 2006 audit, and how many of those were dedicated to the IT audit portion of the engagement?**

**A:** See the response to Q1.

**Q32: Is Kearney and Company either not bidding or precluded from obtaining an award under this RFP?**

**A:** See the response to Q13.

**Q33: How much was the award for the 2006 financial audit?**

**A:** See the response to Q1.

<b>SOLICITATION, OFFER, AND AWARD</b>			1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING		
2. CONTRACT NUMBER		3. SOLICITATION NUMBER CB07-RFP0003		4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED 08/10/2007	
						6. REQUISITION/PURCHASE NUMBER R1 CB2007-0156	
7. ISSUED BY Procurement Services Congressional Budget Office 2nd and D Streets, SW FHOB Room 406 Washington, DC 20515-0001				CODE PSCBO		8. ADDRESS OFFER TO (If other than Item 7) Procurement Services Congressional Budget Office ProcurementServices@cbo.gov Fax: 888-734-1760	

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION			
9. Sealed offers in original and <u>0</u> copies for furnishing the supplies or services in the Schedule will be received at the place specified in item 8, or if handcarried, in the depository located in <u>N/A</u> until <u>17:00:00</u> local time <u>09/07/2007</u> (Hour) (Date)			
CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions			

10. FOR INFORMATION CALL:	A. NAME Caryn Rotheim		B. TELEPHONE (NO COLLECT CALLS)			C. E-MAIL ADDRESS ProcurementServices@cbo.gov
			AREA CODE 202	NUMBER 226-2632	EXT.	

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OFFER (Must be fully completed by offeror)							
NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.							
12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.							
13. DISCOUNT FOR PROMPT PAYMENT (See Section 1, Clause No. 52.232-8)			10 CALENDER DAYS(%) 0.00	20 CALENDER DAYS(%) 0.00	30 CALENDER DAYS(%) 0.00		
14. ACKNOWLEDGEMENT OF AMEND- MENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):			AMENDMENT NO.	DATE	AMENDMENT NO.		
15A. NAME AND ADDRESS OF OFFEROR		CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or Print)			
15B. TELEPHONE NUMBER		15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>		17. SIGNATURE		18. OFFER DATE	
AREA CODE	NUMBER						

AWARD (To be completed by Government)					
19. ACCEPTED AS TO ITEMS NUMBERED		20. AMOUNT		21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) ( ) <input type="checkbox"/> 41 U.S.C. 253(c) ( )				23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	
24. ADMINISTERED BY (if other than Item 7) CODE				25. PAYMENT WILL BE MADE BY Congressional Budget Office Office of Financial Management invoices@cbo.gov OR Fax: 866-754-3302 Washington, DC 20515	
26. NAME OF CONTRACTING OFFICER (Type or print) Stacy F. Newman (202/226-9850)				27. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	
				28. DATE	

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

## CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

1. In response to a request from \_\_\_\_\_ (“requester”), the Congressional Budget Office (CBO) is providing the requester with CBO’s FY2005 Financial Statements and Independent Auditor’s Report, and FY2006 Financial Statements, Independent Auditor’s Report, and Management’s Discussion and Analysis (“confidential information”).

\_\_\_\_\_ agrees to hold the confidential information in trust and confidence and agrees that it shall be used only for the purpose of developing a proposal in response to Solicitation No. CB07-RFP0003, Financial Audit Services. The confidential information shall not be used for any other purpose or disclosed to any third party without the written approval of CBO.

2. At the conclusion of the stated purpose, or upon demand by CBO, all confidential information (electronic or physical) shall be destroyed or returned to CBO.

AGREED AND ACCEPTED BY:

Date: \_\_\_\_\_

By \_\_\_\_\_

Title: \_\_\_\_\_



- a. Your opinion on CBO's financial statements (including your findings on the consistency of supplementary information, Management's Discussion and Analysis (MD&A) and other accompanying information in the Performance and Accountability Report);
  - b. Your ~~opinion report~~ on the internal control over financial reporting;
  - c. Your ~~opinion report~~ containing positive assurance that all Financial Management Systems comply with FISCAM; and
  - d. The results of your tests of compliance with laws and regulations.
2. A management letter, if appropriate.
  3. Complete and accurate work papers must be developed to document all work performed and support conclusions reached. The Contractor shall provide full and complete access to the working papers, electronic files, notes, and documentation to CBO management and/or the COTR(s) at their request. The Contractor shall retain the original working papers, electronic files, notes and other documentation that were created in performing this audit for its files.

#### **C.4 DELIVERY SCHEDULE**

A specific timeline for the base contract period is included at Attachment 1 of this contract. The Attachment will be updated by a modification to the contract to reflect actual dates for each option period as the options are exercised. The work shall follow the general schedule below for each period of the contract (base and each option). CBO may modify the schedule in the option periods to adjust some of the dates, but the amount of time allowed for each phase is not anticipated to change.

1. The Kick-Off meeting will occur by September 30.
2. CBO will provide a Final Trial Balance by November 30.
3. FISCAM and property walkthrough can begin at the end of September or early October.
4. CBO will deliver the complete Financial Statements with notes for the FY by January 31.
5. The Planning Phase shall be completed by mid-February.
6. Compliance Testing shall be completed by March 31.
7. Substantive Testing shall be completed in April.
8. Opinion and Management Letter shall be completed in May.

#### **C.5 AUDIT SITE**

Work is to be performed at CBO, located at:

Congressional Budget Office  
Office of Financial Management  
Ford House Office Building, 4<sup>th</sup> Floor  
2<sup>nd</sup> and D Street, SW  
Washington, DC 20515